

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5117-05
Bill No.: Perfected HCS for HB 1254
Subject: Agriculture and Animals; Tourism
Type: Original
Date: April 25, 2012

Bill Summary: This proposal contains various provisions pertaining to agriculture.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 to (Unknown)	(Less than \$100,000 to greater than \$4,500,000)	(Less than \$100,000 to greater than \$4,500,000)
Total Estimated Net Effect on General Revenue Fund	\$0 to (Unknown)	(Less than \$100,000 to greater than \$4,500,000)	(Less than \$100,000 to greater than \$4,500,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Agritourism Fee Fund*	\$0	\$0	\$0
Road Fund	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
Urban Agricultural Zone	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)

* Revenues and Expenditures net to zero

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 25 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Section 9.180 - Pet Breeders Appreciation

Officials at the **Department of Agriculture** assumes there is no fiscal impact from this proposed legislation.

Oversight assumes this section designates the month of December each year as “Pet Breeders Appreciation Month”, there is no fiscal impact from this proposed section.

Section 135.305 - Tax Credit for Wood Energy

Officials at the **Budget and Planning (BAP)** assume this proposal extends the sunset on the Wood Energy Tax Credit from 6/30/13 to 6/30/18 and caps annual authorizations at \$4.5 million. Average authorizations for this program were \$3.4 million over FY 09-11. This proposal will reduce General and Total State Revenues by similar amounts. This proposal may encourage other economic activity. BAP cannot estimate the induced revenues.

Officials at the **Department of Natural Resources** assume there is no additional direct fiscal impact to the Division of Energy from this proposal. The duties would continue to be absorbed by existing staff. However, the proposal extends the tax credit from June 30, 2013 to June 30, 2018. This could result in up to \$4.5 million per year in additional tax credits.

Oversight assumes this tax credit was to expire on June 30, 2013. This proposal extends the tax credit to June 30, 2018.

Oversight assumes a loss to total state revenue for the tax credits issued in FY 14 and FY15. This proposed section establishes a statutory cap of \$4.5 million.

Oversight assumes for the purposes of the fiscal note the amount of lost revenue in future years to the State as being \$0 (no credits claimed) to the statutory cap.

ASSUMPTION (Continued)

Section 142.031 - Biodiesel Producer Incentive Fund

Officials at the **Department of Agriculture** assumes there is no fiscal impact from this proposed legislation.

Oversight assumes biodiesel producer is eligible to collect from the Missouri Qualified Biodiesel Producer Incentive Fund for 60 months unless it fails to receive the full amount due to a lack of appropriations, in which case a producer is eligible for up to 24 additional months to collect.

Oversight assumes this section removes the 24-month limitation on a qualified biodiesel producer and allows a producer's eligibility to continue until the full amount due has been received. There is no fiscal impact from this proposed section.

178.530 - Agriculture Education in Private Schools

Officials from the **Department of Agriculture** assumes there is no fiscal impact from this proposed legislation.

Officials at the **Department of Elementary and Secondary Education (DESE)** state currently the department is aware that this legislation is intended to allow one private school to apply to the state chapter for approval of a local chapter of a federally chartered national agricultural education association. It is not expected that this one private school's application will have a significant fiscal impact on operations. However, should additional private schools opt to take advantage of this program; costs could become unknown.

Oversight assumes this section requires the State Board of Education to develop standards for agricultural vocational education that may be adopted by a private school in order to qualify the school to apply to the state chapter of the Future Farmers of America for the approval of a local chapter.

Oversight assumes DESE can absorb any costs related to this section as the number of schools applying is expected to be minimal. This proposed section will have no fiscal impact.

ASSUMPTION (Continued)

Section 262.005 - Right to Raise Livestock

Officials at the **Department of Agriculture** assumes there is no fiscal impact from this proposed section.

Oversight assumes this section affirms the right of citizens to raise livestock. There is no fiscal impact from this proposed legislation.

Section 262.255 - Exhibit Livestock at Fairs

Officials at the **Department of Agriculture** assumes there is no fiscal impact from this proposed section.

Oversight assumes this section requires the Missouri State Fair Commission and the governing bodies of fairs and exhibitions which exhibit livestock to permit specified persons to exhibit livestock. There is no fiscal impact from this proposed section.

Section 262.257 - Exhibition of Livestock at Fairs, Expos, and Pet Shows

Officials at the **Department of Agriculture** assumes there is no fiscal impact from this proposed section.

Oversight assumes this section requires the governing body of all national, state, and local fairs and expos conducted in this state which exhibit livestock or domestic animals to permit breeders and owners to exhibit. There is no fiscal impact from this proposed section.

Section 262.598 - University of Missouri Extension Districts

Officials from the **University of Missouri** and **St. Louis County** each assumes the proposed section would not fiscally impact their respective agencies.

Oversight assumes this section allows the University of Missouri extension councils to form extension districts made up of cooperating counties to fund extension programming. There is no fiscal impact from this proposed section.

ASSUMPTION (Continued)

Section 262.750 - Rodeos

Officials at the **Department of Agriculture** assumes there is no fiscal impact from this proposed section.

Oversight assumes this section guarantees the right to conduct and participate in rodeos in this state and prohibits a restriction on the conducting of or participating in rodeos. There is no fiscal impact from this proposed section.

Section 262.795 - Youth Working on Farms

Oversight assumes this proposed section allows a child to perform agriculture work on a farm owned and operated by the child's parent, sibling, grandparent or sibling of a parent or, if the work is performed by the child with the knowledge and consent of the child's parent, on any family farm or on any family farm corporation. This proposed section should result in no fiscal impact.

House Amendment 6 - Section 262.900 - Urban Agriculture Zones

Officials at the **Budget and Planning (BAP)** assume this proposed section creates a mechanism for certain municipalities to create Urban Agricultural Zones (UAZ) to encourage agricultural production and community education. This proposal directs sales taxes on products sold within the UAZ into the Urban Agricultural Zone Fund, except those sales taxes that are constitutionally dedicated, or for school districts, or on motor vehicles. Therefore, this proposal will reduce General Revenues by an unknown amount.

BAP assumes real property in the UAZ is to be exempt from assessment and taxation for the first ten years. This proposal could reduce local revenues, including those for schools. This could also reduce Total State Revenues if Blind Pension Fund receipts decline.

BAP assumes Grower-UAZs are provided water at wholesale rates and provided discounts on hook-ups. This may reduce municipal revenues if the municipality is the water provider.

Officials at the **State Tax Commission** assume this proposed section will have no impact on their agency. However, there will be an unknown revenue loss to local political subdivisions.

ASSUMPTION (Continued)

Officials at the **Department of Agriculture (AGR)** assume the fiscal impact of this proposed section on the AGR is unknown. It is not possible to estimate with any accuracy the number of urban agricultural zones (UAZ) that will be formed, their location, the types of agricultural products that will be produced, or the amount of sales tax revenue realized from the sale of products in the UAZ.

Officials at the **Department of Revenue** assume ITSD-DOR will need to make programming changes to various tax systems. It is estimated to cost \$462,016 for 1,744 FTE hours.

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Officials at the **Department of Elementary and Secondary Education (DESE)** assume the proposed section appears to allow a person or organization to develop an UAZ (urban agricultural zone) on a blighted area of land within a municipality of at least five thousand people. As part of the application process, the applicant must provide a plan for educational opportunities which shall include at least one educational opportunity per month to local school districts. Sales tax revenues received from the sale of products sold in the UAZ, with specific exceptions, are deposited in the "Urban Agricultural Zone Fund" to which school districts may apply to the state treasurer for funds to be used for the development of gardens on school property.

DESE assumes in general, tax subsidies reduce the state's tax revenues and decrease the amount of money available for public schools and all public school students. Given the subject matter, "blighted areas" are not likely to reap additional sales tax revenues; however, it is impossible to determine whether the blighted area might have generated revenues independent of this proposal.

DESE assumes ultimately, the impact of this proposal is dependent upon the unknown actions of persons and/or organizations as well as future sales tax revenues which cannot be predicted at this time. Therefore, any impact is unknown.

Officials at the **Special School District** assume this proposed section would have a negative fiscal impact on the School District due to the elimination of real estate property taxes for 10 years. For every \$ 1 million in assessed value exempted from property taxes, the School District would lose \$10,120 in property tax revenue partially offset by sales tax revenue that would be generated.

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ASSUMPTION (Continued)

Officials at the **Mexico School District** assume the impact can not be determined at this time.

Officials at the **Parkway School District** assume any decrease in the amount of property or sales tax will reduce school district revenues, but no estimate is possible at this time.

Officials at the **City of Kansas City** assume the proposed section provides for total and partial property tax abatement for special urban agriculture zones. Additionally, sales tax that is not for a special purpose will be diverted to a special account. Also, the City's Water Services Department will be required to sell water to operators in these zones at wholesale, and may only charge 50% of the hook-up fee normally charged for an account. The extent of these losses cannot be estimated since the number of UAZ's is an unknown. As with other economic development measures, an increase in economic activity should outweigh the lost revenue. Whether the size of the lost revenue will be less than new economic activity is not capable of being determined at this time.

Officials at the **City of Columbia** assume the financial impacts to the City are loss of local sales tax and the ad valorem taxes on real property that is located within the "UAZ". There would be an impact on the water and light department in the "grower uaz" requiring the sale of water at "wholesale" prices. The language does not indicate that only new real property would not be subject to the property tax, therefore, if existing real property would not be subject to the tax, then there is the potential for the loss of real property taxes that are currently being paid.

Oversight assumes that no city, county, school or other local political subdivision would be affected by this proposal unless an Urban Agricultural Zone (UAZ) was created in their area.

Oversight assumes it is unclear how many Urban Agricultural Zones would be created in this State. Additionally, any sales tax revenue generated in the UAZ will be required per this proposal to be transferred to the Urban Agricultural Zone Fund. Therefore Oversight will show the revenue reduction to General Revenue and the revenue increase to the UAZ Fund as \$0 (no UAZ created) to Unknown.

Oversight assumes that all money received by the Urban Agricultural Zone Fund will be used for grants to schools according to the guidelines established in this proposal.

ASSUMPTION (Continued)

Oversight assumes this proposal allows for the UAZ to purchase water at wholesale prices. Political subdivisions that own their own water and light departments would be effected by this proposal. Therefore Oversight will show the revenue reduction to Local Political Subdivision Funds as \$0 (no UAZ created) to Unknown.

Oversight assumes the creation of this new program outlined in this proposal may have an impact on the state. However, Oversight considers this to be indirect impact of the proposal and will not reflect it in this fiscal note.

Section 262.975 - Missouri International Agricultural Exchange Website

Officials at the **Department of Agriculture (AGR)** assumes this section would have a minimal fiscal impact on AGR and could be implemented with existing resources.

Officials at the **Office of Administration - Division of Budget and Planning (BAP)** assumes section 262.975 allows the state to create an Agriculture Exchange website or contract for the development of the website. The section also allows the department, if they do not contract for this work, to sell advertising for the website. This could increase Total State Revenue but will not impact the 18e calculation.

Oversight assumes the website developer awarded the contract for development of the exchange website would be responsible for all costs related to this proposed section. There is no fiscal impact from this proposed section

Section 276.401 - 276.582 - Missouri Grain Dealer Law

Officials at the **Department of Agriculture (AGR)** state approximately 30 grain dealers who purchase less than 50,000 bushels of grain and who are currently licensed would be exempted from license requirements. Each pay a license fee of \$40 annually, so a total of \$1,200 less would be collected by the agency. However, exemption audits would continue, so the Grain Regulatory Services Program (GRS) would still need to make annual site visits to determine compliance.

AGR state GRS fees are paid into the Agriculture Protection Fund (APF). Approximately 30 grain dealers would be exempt from future license requirements based on the most recent grain purchases reported. The Grain Dealer license fee is \$40 annually. $40 \times 30 = \$1200$.

ASSUMPTION (Continued)

AGR state there would be no cost savings to the agency from this exemption, as compliance audits would continue to verify exemption compliance.

Oversight assumes AGR can absorb the cost related to this section as the number of grain dealers who purchase less than 50,000 bushels of grain, and would be exempted from the license fee is minimal.

Section 302.286, 537.345 - 537.347, 575.010, 575.120, 575.124 - Agricultural Crimes

Officials at the **Department of Corrections (DOC)** assumes the penalty provisions, the component of the bill to have potential fiscal impact for DOC, is for up to a class C felony. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

DOC states if additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase of direct offender costs either through incarceration (FY11 average of \$16.878 per offender, per day, or an annual cost of \$6,160 per inmate) or through supervision provided by the Board of Probation and Parole (FY11 average of \$5.12 per offender, per day or an annual cost of \$1,869 per offender).

DOC assumes an unknown fiscal impact, but expected to be less than \$100,000 each year.

Oversight assumes the various agricultural crimes created or enhanced in this proposed section will not encompass a large number of offenders. **Oversight** assumes an unknown fiscal impact, but expected to be less than \$100,000 each year.

Officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crimes of impersonating an agriculture inspector or threatening an inspector and the enhanced penalties for trespassing on fenced property.

SPD states the penalty for false impersonation of an agriculture inspector would increase from a class B misdemeanor to a class A misdemeanor, and if impersonating a law enforcement officer from a class A misdemeanor to a class C felony. The penalty for trespassing and threatening an inspector would increase from a class B misdemeanor to a class A misdemeanor.

SPD assumes while the number of new cases may be too few or uncertain to request additional

ASSUMPTION (Continued)

funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials at the **Department of Agriculture** assumes there is no fiscal impact from this proposed section.

Section 304.180 - Vehicles Hauling Livestock, Agricultural Products, or Milk

Officials from the **Department of Transportation (MoDOT)** assume the increase in allowable weights would result in increased damage to bridges. Additionally, it would reduce the life expectancy of some of the MoDOT's bridges. There is no way to quantify this issue in terms of a dollar amount.

MoDOT assumes the increased allowable weights will result in an increase in the number of MoDOT's bridges requiring postings for legal loads. It is estimated that the number of MoDOT bridges requiring some type of posting would increase by 20%. Posting signs would have to be installed at these locations, so there would be a cost associated with this. An unknown number of existing postings signs would require updating.

MoDOT assumes any impact from the collection of the \$25 permit fee is unknown. The department has no way of estimating how many permits will be sold. There will be a loss of approximately \$75,000 to the road fund due system changes to allow for the ability to issue these types of permits and to allow for tracking of mileage and routes traveled.

MoDOT assumes an annual cost relating to this proposal of more than \$100,000 to the Road Fund.

Oversight assumes the \$25 fee collected for trucks weighing more than 80,000 would be a minimal income to the Road Fund. Since it is unknown how many permits will be sold, for fiscal note purposes only, Oversight will estimate the income to the Road Fund as 'Unknown'.

Officials from the **Department of Agriculture** assume the proposed section will have no fiscal impact on their agency.

ASSUMPTION (Continued)

Section 537.850 - Agritourism Promotion Act

Officials at the **Department of Agriculture (AGR)** assumes and unknown fiscal impact. The number of participants, amount of administration required, database management, and fees collected cannot be determined with any certainty. The registration fee may cover the costs of signage placement, maintenance, and any AGR promotion and publication costs.

Officials at the **Department of Natural Resources (DNR)** assumes this proposal allows for any person engaged in the business of providing one or more agritourism activities to register with the Department of Agriculture. Registration fee is \$100 per two-year period.

DNR states the proposal would define agritourism activity as any activity which allows members of the general public for recreational, entertainment, or educational purposes to view or enjoy rural activities, including but not limited to farming activities, ranching activities, or historic, cultural, or natural attractions.

DNR states this proposal would allow any person engaged in the business of providing one or more agritourism activities to register for a two-year period with the Department of Agriculture including a \$100 registration fee. Registration would contain information describing the tourism activity, and the location of such activity.

DNR states the proposed legislation would require every registered agritourism location to post and maintain signage which contains a warning notice regarding liability. Signage defined in this proposal would have a cost of \$50.00 per sign.

DNR states, should the department's **Division of State Parks (DSP)** elect to register each site, a registration fee of \$100 would be required every two years for each participant site. Additionally, at each site where the agritourism activity takes place, signage would be required as defined in this proposal. DSP estimates ten historic sites may elect to participate.

ASSUMPTION (Continued)

DSP assumed for purposes of this fiscal note that 10 historic sites may elect to participate at a cost of \$100 registration fee per site for a two year period and a one-time cost of the signage estimated at \$50 per sign. These sites include:

- Johnson Shut In's State Park
- Onondaga Cave State Park
- Route 66 State Park
- First State Capitol State Historic Site
- Prairie State Park
- Pomme de Terre State Park
- Arrow Rock State Historic Site
- Dr. Edmund A. Babler Memorial State Historic Site
- Van Meter State Park
- Watkins Woolen Mill State Historic Site

DSP assumes that should historic sites elect to register as an registered agritourism operator, the costs associated with this proposal for registration and signage would be minimal.

DSP assumes the following estimated costs: FY 2013 - \$1,500, FY 2014 - \$0, FY 2015 - \$1,000

Oversight assumes this proposal will have an unknown cost to the “Agritourism Fee Fund” for administration, signs, maintenance, promotion and publication of the Agritourism Promotion Act dependent upon the number agritourism businesses that choose to register with AGR.

Oversight assumes AGR can assess a registration fee up to \$100 to cover all costs related to administration, signs, maintenance, promotion, and publication.

Oversight assumes that revenues received by the proposed “Agritourism Fee Fund” will equal costs associated with the Agritourism Promotion Act resulting in a net fiscal impact of zero to the “Agritourism Fee Fund”.

Oversight assumes any costs to DSP to register state historic sites as an agritourism activity location is dependent upon whether they choose to register as an agritourism site.

Oversight assumes any potential costs to DSP are minimal and could be absorbed by DSP. If the number of sites registered for agritourism increases, DSP can request additional appropriation in the future.

ASSUMPTION (Continued)

Oversight assumes all fees paid to AGR will cover the cost of signs, therefore DSP will not be responsible for the cost of signs.

Officials at **Department of Transportation** assumes there is no fiscal impact from this proposed section.

Bill as a Whole

Officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Office of Attorney General (AGO)** assume that any potential costs arising from this proposal could be absorbed with existing resources.

Officials at the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials at the **Office of Administration, Department of Higher Education, State Treasurer's Office, Office of State Courts Administrator, Office of Prosecution Services, Department of Revenue, Department of Public Safety - Missouri Highway Patrol, Department of Conservation, University of Missouri, Department of Economic Development - Divisions of Tourism and Business and Community Services, and Missouri Tax Commission** each assumes there is no fiscal impact from this proposed legislation.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<i>Section 135.305 - Tax Credit for Wood Energy</i>			
<u>Revenue Reduction</u> - extension of the wood energy tax credit	\$0	\$0 to (\$4,500,000)	\$0 to (\$4,500,000)
<i>House Amendment 6 - Section 262.900 - Urban Agriculture Zones</i>			
<u>Revenue Reduction</u> - loss of sales tax revenue in the Urban Agricultural Zone	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<i>Sections 302.286, 537.345 - 537.347, 575.010, 575.120, 575.124 - Agricultural Crimes</i>			
<u>Cost</u> - Additional Offenders Committed to DOC	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 to (Unknown)</u>	<u>(Less than \$100,000 to greater than \$4,500,000)</u>	<u>(Less than \$100,000 to greater than (\$4,500,000))</u>

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2013 (10 Mo.)	FY 2014	FY 2015
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**URBAN AGRICULTURAL ZONE
FUND**

*House Amendment 6 - Section 262.900 -
Urban Agriculture Zones*

<u>Revenue</u> - collection of sales tax in the UAZ	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Transfer Out</u> - to local school districts for school gardens	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)
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**ESTIMATED NET EFFECT ON
URBAN AGRICULTURAL ZONE
FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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AGRITOURISM FEE FUND

*Section 537.850 - Agritourism Promotion
Act*

<u>Revenue</u> - Agritourism Registration Fees	Unknown	Unknown	Unknown
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<u>Cost</u> - Dept. of Agriculture			
Administration	(Unknown)	(Unknown)	(Unknown)
Signs	(Unknown)	(Unknown)	(Unknown)
Maintenance/Promotion	(Unknown)	(Unknown)	(Unknown)
<u>Total Cost</u> - AGR	(Unknown)	(Unknown)	(Unknown)

**ESTIMATED NET EFFECT ON
AGRITOURISM FEE FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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*** Revenues and Expenditures net to zero**

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2013 (10 Mo.)	FY 2014	FY 2015
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ROAD FUND

*Section 304.180 - Vehicles Hauling
 Livestock, Agricultural Products, or Milk*

<u>Income</u> - \$ 25 fee for trucks over 80,000 pounds	Unknown	Unknown	Unknown
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<u>Cost</u> - Department of Transportation increased maintenance, tracking for increased weight limits and signage	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
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ESTIMATED NET EFFECT ON ROAD FUND	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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*House Amendment 6 - Section 262.900 -
 Urban Agriculture Zones*

LOCAL POLITICAL SUBDIVISIONS

<u>Revenue Reduction</u> - Water and Light Departments -water sold at wholesale prices	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013	FY 2014	FY 2015
(Continued)	(10 Mo.)		

*House Amendment 6 - Section 262.900 -
 Urban Agriculture Zones*

LOCAL SCHOOL DISTRICT FUNDS

<u>Transfer In-</u> from the Urban Agricultural Zone Fund to create school gardens	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Cost</u> -expenses of creating a school garden	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)
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ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

House Amendment 6 - Section 262.900 - Urban Agriculture Zones

Small businesses in the Urban Agricultural Zones could experience a fiscal impact.

Section 304.180 - Vehicles Hauling Livestock, Agricultural Products, or Milk

Small business associated with the livestock industry could be positively impacted by this proposed section if it would result in a reduction in transportation costs, however, increased weight restrictions on bridges as well as wear and tear on the state's highway and bridge systems would have a negative impact on small business. Restricted load postings on bridges and increased maintenance work on highways could mean it would take longer for goods to be delivered to or picked up from a place of small business.

Section 537.850 - Agritourism Promotion Act

Direct fiscal impact to small agritourism related businesses could be expected as a result of this proposal.

FISCAL DESCRIPTION

Section 135.305 - Tax Credit for Wood Energy

This proposed section extends the sunset on the wood energy producers tax credit and caps the amount of tax credits available under the program each fiscal year.

House Amendment 6 - Section 262.900 - Urban Agriculture Zones

This section allows for the establishment of an Urban Agriculture Zone.

- (1) Defines an "urban agriculture zone" (UAZ) as a zone that contains an organization or person who grows produce or other agricultural products, raises or processes livestock or poultry, or sells at a minimum 75% locally grown or raised food. The types of UAZs are:
 - (a) A grower UAZ, which can either grow produce, raise livestock, or produce other value-added agricultural products;
 - (b) A processing UAZ, which processes livestock or poultry for human consumption; and
 - (c) A vending UAZ, which sells produce, meat, or value-added agricultural products produced in the UAZ's county or an adjoining county;
- (2) Specifies the requirements that each type of UAZ must meet in order to be approved by a municipality;
- (3) Allows any person or organization to submit an application and be approved by a municipality of at least 5,000 people to develop a UAZ on a blighted area of land;
- (4) Specifies that an application must identify which type or combination of types of UAZs the applicant is applying for and that it meets the appropriate requirements; the number of jobs to be created by the UAZ; the types of products to be produced; and if applying for a vending UAZ, the ability to accept SNAP as a form of payment;
- (5) Requires the applicant to provide a plan for at least one educational opportunity per month to be provided by the applicant to local school districts;
- (6) Requires the municipality to review approval of the UAZ five and 10 years after the development of the UAZ. After 25 years, the UAZ must dissolve;

FISCAL DESCRIPTION (Continued)

(7) Removes the tax assessment on the real property of any UAZ for 10 years once the application requirements have been met. After the 10 years, the UAZ must pay only 50% of the assessed value of the real property for the next 15 years;

(8) Requires a grower UAZ to pay wholesale cost for water consumed on the zone property and pay 50% of the standard cost to hook into the water source;

(9) Transfers the state sales tax revenues, other than the constitutionally dedicated taxes and taxes specifically designated for other uses, from the products sold in a UAZ to the Urban Agricultural Zone Fund created in the bill. The funds will be managed by the State Treasurer. School districts may apply to the State Treasurer for money in the fund to develop gardens on school property; and

(10) Specifies that the provisions of the bill will supercede any local ordinances.

Section 302.286, 537.345 - 537.347, 575.010, 575.120, 575.124 - Agricultural Crimes

This proposed section changes the laws regarding agricultural crimes.

(1) Specifies that any person who dispenses or removes any motor fuel from a storage container at any residence, farm, or agricultural property without the express permission of the owner is guilty of the crime of stealing under Section 570.030, RSMo;

(2) Defines "trespasser," as it applies to these provisions, as any person who enters on the property of another without permission and without an invitation, express or implied, regardless of whether actual notice of trespass was given or the land was posted with signs or purple markings in accordance with Sections 569.140 and 569.145;

(3) Specifies that a possessor of real property owes no duty of care to a trespasser, except to refrain from harming the trespasser by an intentional, willful, or wanton act and may use justifiable force to repel a criminal trespasser. However, a possessor of real property may be subject to liability for physical injury or death to a trespasser in specified situations, including if the trespasser is a child who is harmed by a dangerous artificial condition on the land, the possessor knew or should have known that trespassers consistently intrude upon a limited area of the land where the trespasser was harmed by a dangerous artificial condition on the land, or the possessor knew of the trespasser's presence on the land and failed to exercise ordinary care as to active operations carried out on the land;

FISCAL DESCRIPTION (Continued)

(4) Changes the crime of trespass in the first degree from a class B misdemeanor to a class A misdemeanor;

(5) Changes the crime of false impersonation from a class B misdemeanor to a class A misdemeanor and if impersonating a law enforcement officer from a class A misdemeanor to a class C felony;

(6) Prohibits any person from attempting by means of any threat or violence to deter or prevent an inspector, agent, or other employee of the Department of Agriculture from performing any duties imposed by law and prohibits any person from impersonating an inspector, agent, or employee of the department. Any person who violates these provisions will be guilty of a class B misdemeanor and any second or subsequent violation will be a class A misdemeanor.

Section 304.180 - Vehicles Hauling Livestock, Agricultural Products, or Milk

Currently, the total gross weight of a vehicle or combination of vehicles hauling livestock on U. S. Highway 36 from St. Joseph to U. S. Highway 65 and on U. S. Highway 65 from the Iowa state line to U. S. Highway 36 cannot exceed 85,500 pounds. This proposal removes the specified highways and applies this weight limitation to any vehicle hauling livestock or agricultural products except local log trucks on any highway of this state. The weight limits will not apply to vehicles operated on the Dwight D. Eisenhower System of Interstate and Defense Highways.

Any vehicle hauling greater than eighty thousand pounds under the provisions, shall apply yearly to the Department of Transportation for a permit and upon payment of a twenty-five dollar fee, the department shall grant the applicant a permit.

Section 537.850 - Agritourism Promotion Act

This proposed section establishes the Agritourism Promotion Act which allows for the registration of any person who is engaged in a business which provides agritourism activities in Missouri. In its main provisions, the bill:

(1) Defines “agritourism activity” as any activity which allows the general public for recreational, entertainment, or educational purposes to view or enjoy rural activities including, but not limited to, farming and ranching activities or historic, cultural, or natural attractions;

FISCAL DESCRIPTION (Continued)

- (2) Defines “inherent risks of a registered agritourism activity” as dangers or conditions which are an integral part of an agritourism activity including the potential of a participant to act in a negligent manner that may contribute to injury to the participant or others;
- (3) Allows any person who is engaged in a business providing an agritourism activity to register with the Director of the Department of Agriculture. The registration must contain a description of the agritourism activity he or she conducts or intends to conduct and the location where the activity will be conducted;
- (4) Specifies that the registration is for a period of two years and a fee of up to \$100 may be imposed on an applicant to cover the actual administrative costs associated with registration and the placement and maintenance of directional signage;
- (5) Requires the department to maintain and make available to the public a list of all registered agritourism operators, the registered agritourism activities conducted by each operator, and the registered agritourism location;
- (6) Requires the department to promote and publicize registered agritourism operators, activities, and locations by promoting and encouraging tourism;
- (7) Requires every registered agritourism operator to post and maintain signage at the agritourism location which contains a specified warning notice that there is no liability for certain injuries or the death of a participant in a registered agritourism activity;
- (8) Specifies that any participant is assuming certain inherent risks when participating in an agritourism activity;
- (9) Specifies that a registered agritourism operator is not liable for an injury to or the death of a participant resulting from the inherent risks of agritourism activities if the warning is posted as required unless the injury to the participant was by willful or wanton conduct or the operator failed to make a dangerous condition known to a participant and the condition resulted in an injury;
- (10) Specifies that the operator has an affirmative defense to liability if the injured person deliberately disregarded conspicuously posted signs, verbal instructions, or other warnings regarding safety measures during the activity or if any equipment, animals, or appliances used by the injured person during the activity were used in a manner or for a purpose other than that for which a reasonable person should have known they were intended; and

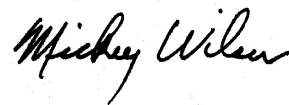
FISCAL DESCRIPTION (Continued)

(11) Creates the Agritourism Fee Fund consisting of registration fees and moneys appropriated to the fund to be used solely for the placement and maintenance of directional signage and the administration of the provisions of the bill.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Office of Administration
Budget and Planning
Department of Revenue
Department of Economic Development -
 Division of Tourism
 Division of Business and Community Services
State Treasurer's Office
Office of Secretary of State
Joint Committee on Administrative Rules
Department of Transportation
Department of Conservation
Department of Natural Resources -
 Division of State Parks
Department of Elementary and Secondary Education
Office of the Attorney General
University of Missouri
Department of Higher Education
Missouri Tax Commission
Office of State Courts Administrator
Department of Corrections
Office of Prosecution Services
State Public Defender's Office
Missouri State Highway Patrol
St. Louis County
City of Kansas City
City of Columbia
Parkway School District
Mexico School District
Special School District



Mickey Wilson, CPA

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